

TELFORD & WREKIN COUNCIL

AUDIT COMMITTEE 28th JUNE 2016

THE ANNUAL GOVERNANCE STATEMENT 2015/16

JOINT REPORT OF THE CHIEF FINANCIAL OFFICER and THE MONITORING OFFICER

1 SUMMARY OF MAIN PROPOSALS

- 1.1 For the Audit Committee to approve the Annual Governance Statement 2015/16 to accompany the 2015/16 annual accounts.

2 RECOMMENDATION

- 2.1 **That members of the Audit Committee approve the Annual Governance Statement 2015/16, attached as Appendix 1, and note the information in the report.**

3 SUMMARY IMPACT ASSESSMENT

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| COMMUNITY IMPACT | Do these proposals contribute to specific Priority Plan objective(s)? | |
| | Yes | <i>The Governance Framework encompasses the whole Council and therefore all of the Council's priorities.</i> |
| | Will the proposals impact on specific groups of people? | |
| | No | |
| TARGET COMPLETION/ DELIVERY DATE | <i>Annual Governance Statement signed and ready to accompany the 2015/16 accounts by 30th June 2016.</i> | |
| FINANCIAL/VALUE FOR MONEY IMPACT | No | <i>The governance framework includes several financial elements, including the Council's financial regulations, the budget strategy and the Treasury Management Strategy. These provide the financial parameters, systems, processes and guidelines within which the Council must operate and as such assists in the delivery of good governance. Strong financial management also supports the delivery of value for money in ensuring economy, efficiency and effectiveness in the Council's decision making and processes.</i> <i>The Council's external auditors give an opinion on the financial statements of the authority and a value for money conclusion in their Annual Audit Letter each year which provides further assurance.</i> |
| LEGAL ISSUES | Yes | <i>The requirement for an Annual Governance Statement is established at Part 2 paragraph 6 of the Accounts and Audit Regulations 2015. Further details of this</i> |

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| | | <i>requirement are set out at sections 4.1 and 4.2 of this report.</i> |
| OTHER IMPACTS, RISKS & OPPORTUNITIES | Yes | <i>Good governance supports the identification and management of risks and robust control arrangements.</i> |
| IMPACT ON SPECIFIC WARDS | Yes | <i>Borough-wide impact</i> |

4 INFORMATION

- 4.1 Under the Accounts and Audit Regulations 2015 the Council is required to produce an Annual Governance Statement and it is best practice that the statement is signed by the Leader and Managing Director of the Council. This statement should accompany the Annual Accounts and the Audit Committee terms of reference set out that it has to be agreed by this Committee.
- 4.2 The Annual Governance Statement for 2015/16 is attached at Appendix 1 and has been developed based on the requirements of the regulations and CIPFA/Solace guidance¹. The statement includes an action plan (Annex 1) to ensure that we continue to improve our existing governance arrangements.
- 4.3 The action plan attached to the 2014/15 statement (implemented during 2015/16) has been reviewed and updated to reflect current progress. The position as at 31/03/16 is attached as Appendix 2 to this report.
- 4.4 The Annual Governance Statement outlines that the Council has been adhering to its Local Code of Corporate Governance, continually reviewing procedures to maintain and demonstrate good corporate governance and that it has in place robust systems of internal control which is even more important in these times of financial constraint. The Council can be assured that during 2015/16, including during organisational and personnel changes that the existing or revised governance arrangements have continued to support proper governance. Where required changes to procedures have been agreed by SMT and changes to the Constitution have been agreed by the Council, through the Council's Constitution Committee.
- 4.5 Assurance for the annual governance statement is provided by all areas of the Council and externally by the following:
- a) Leader and Managing Director – who sign the statement to acknowledge their responsibilities;
 - b) Senior management – Managing Director, Directors, Assistant Directors;
 - c) Chief Financial Officer;
 - d) The Monitoring Officer;
 - e) Members – Scrutiny arrangements, Standards Committee, Audit Committee and other Regulatory Committees;
 - f) Internal Audit ;

¹ Application Note to Delivering Good Governance in Local Government: a Framework March 2010 and Delivering Good Governance in Local Government Guidance Note for English Authorities 2012 Edition

- g) Partners;
- h) External Audit; and
- i) Other external inspection agencies.

4.6 The 2015/16 Annual Governance Statement sets out the Council's governance arrangements that operated during the period – 1st April 2015 to 31st March 2016 and measures the effectiveness of them.

5 IMPACT ASSESSMENT – ADDITIONAL INFORMATION

N/A

6 PREVIOUS MINUTES

6.1 Cabinet 26th June 2014; 25th June 2015
Audit Committee 30th June 2014; 30th June 2015

7 BACKGROUND PAPERS

Local Code of Corporate Governance May 2008

CIPFA/SOLACE - Application Note to Delivering Good Governance in Local Government: a Framework March 2010

CIPFA/SOLACE – Delivering Good Governance in Local Government Guidance Note for English Authorities 2012 Edition and Addendum

CIPFA/SOLACE – Delivering Good Governance in Local Government: Framework (2016 Edition)

KPMG Annual Audit Letter 2014/15

External inspection reports 2015/16

Annual Audit & Information Governance Report 2015/16

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